

Minutes of the Public Accounts Select Committee

Thursday, 16 March 2023 at 7.00 pm

In attendance: Councillor James Rathbone (Chair), Rudi Schmidt (Vice-Chair), Eva Kestner, Eva Stamirowski and Susan Wise

Also joining the meeting virtually: Councillors Joan Millbank and John Paschoud

Also present: Councillor Chris Barnham (Cabinet Member for Children and Young People), Timothy Andrew (Scrutiny Manager), David Austin (Director of Corporate Services), Rich Clarke (Head of Assurance), Kathy Freeman (Executive Director for Corporate Resources), Pinaki Ghoshal (Executive Director for Children and Young People) and Nick Penny (Head of Service Finance)

Also present virtually: Councillor Jacq Paschoud, Councillor Amanda De Ryk (Cabinet Member for Finance and Strategy) and Lucie Heyes (Director of Children's Social Care)

NB: Those Councillors listed as joining virtually were not in attendance for the purposes of the meeting being quorate, any decisions taken or to satisfy the requirements of s85 Local Government Act 1972

1. Minutes of the meeting held on 2 February 2023

- 1.1 It was agreed that the minutes of the meeting held on 2 February be agreed as an accurate record.
- 1.2 **Resolved:** that the minutes of the meeting held on 2 February be agreed as an accurate record.

2. Declarations of interest

- 2.1 Cllr Paschoud declared an interest as husband of a trustee (Councillor Jacq Paschoud) of Ravensbourne project, which is in receipt from funding from Children's Social Care.

3. Responses from Mayor and Cabinet

- 3.1 There were none.

4. Children's social care and budget pressures

- 4.1 Cllr Chris Barnham (Cabinet Member for Children and Young People) was invited to address the Committee – the following key points were noted:
 - Children's services have been rated by OFSTED as 'requiring improvement' for too long, with aspects of the service judged as declining in quality between 2015 and 2019.
 - There had been a comprehensive improvement plan developed by new leaders and managers in the service. This was being consistently delivered (and this was supported by OFSTED)
 - This was budget which is difficult to keep under control.
 - We had an expectation that the forecasting and management was as good as it could be.

- The past decade had seen a reduction in broader support services and interventions for families – which had resulted in more children being brought into care.
- The proportions of children in care may be higher in Lewisham (in terms of numbers) due to overall differences in population.
- In only one year since 2016 had the budget been set as high as the previous year outturn. It was not clear where the additional £10m mentioned by finance officers at the meeting had appeared in the directorate budget.

4.2 Lucie Heyes (Director of Children’s Social Care) and Nick Penny (Head of Service Finance) introduced the report – the following key points were noted:

- The budget for children’s social care was overspending. The budget was comprised of three principal areas: (workforce, section 17 (children at home with child protection plans and children in need); and placements (children looked after, 18–25-year-olds who had left care and children in connected care or in kinship networks such as those under special guardianship orders).
- The children’s social care system was working with around 2800 children and young people at any one time
- There had been increases in demand since the pandemic and those cases were increasing in complexity.
- Lots of work had taken place to manage the numbers of children being brought into social care through a range of interventions.
- There were a number of reasons that costs in the social care were increasing (despite the Council managing demand – and the number of children in placements remaining stable)
- The private provider market for care costs had not kept up with demand and Lewisham had a difficult legacy of children who had been in care – and were now leaving care.
- The level of complexity – and the costs of complex placements was also increasing and the numbers of children and young people requiring those placements was increasing. Three percent of the placements cost approximately 30 percent of the entire placements budget due to their high weekly cost.
- Work would be required over a number of years to improve the systems used in social care – and to counter the effects of the legacy of poor practice.
- One of the key challenges in reporting on the budget was the quality of data. Different reporting mechanisms had been in place for different parts of the financial year – which resulted in some distortion in the financial forecasts.
- Work had taken place to develop a placements tracker to forecast costs more closely.

4.3 Lucie Heyes, Pinaki Ghoshal (Executive Director for Children and Young People) and Nick Penny responded to questions from the Committee – the following key points were noted:

- There were previously issues with social work practice which meant that more children were taken into social care out of caution. This meant there was a legacy of older children in social care. This practice had been improved and more children were remaining with their families.
- Older children were more difficult to place because of their complex care needs.

- Lewisham was more vulnerable to fluctuations in the cost of care placements due to those high numbers of older children in care.
- There was a level of risk aversion in the system nationally as a result of poor outcomes for some children and child deaths.
- There was a national increase in older children in social care (in Lewisham 75% of children in care were of secondary age).
- There was a historic imbalance of 14–17-year-olds in the care system – but there was not a particular age that could be pointed to in terms of overrepresentation in the system.
- The Council had done a lot of work with older children to avoid teenagers from being made homeless.
- Lewisham had a high percentage of children in care and care leavers compared to other authorities – and within this number there were a small number of costly placements.
- The numbers of children and young care leavers (under age 22) in Lewisham was disproportionate (in terms of gross numbers) in comparison with the London and statistical neighbour average (due to historic practice)
- It was difficult to draw a direct causal relationship between preventative work and the numbers of children being brought into social care – however – it seemed obvious that more funding for early help, prevention and support for families would reduce the numbers of children in social care.
- There was evidence that Lewisham’s investment in preventative services (specifically in the Meliot family centre) to work intensively with families and improve safety for children at home with their families was effective.
- Younger children tended to stay in care for a shorter time than older children and adolescents.
- Experience from preventative work with younger people was now being expanded to adolescents but this was much more difficult – due to young people’s vulnerability in the community (and not only their families)
- The case management system in Lewisham had suffered from historic underinvestment and underutilisation. This was combined with poor practice in a number of areas which meant there had to be a long-term approach to upgrades and development.
- There was no internal capacity or skills to keep both key software systems up to date which meant there was a reliance on external consultants to carry out the extensive and costly work required to bring systems up to date.
- The service wanted to reach a point where it could see the costs of placements for each individual child.
- The use of casework and software systems would evolve over time – and there would not be a defined end point to the work required.
- Close work was taking place with health partners to allocate costs between social care, health, and education.
- Health partners had requested evidence that additional health services were required for some children (and whether their needs were health or social care needs)
- Funding had been received from health – but the Council believed it should be higher than at present.
- There were both operational and strategic discussions taking place with health partners.

- There were different arrangements in place between health partners and councils in different boroughs.
- Lewisham was part of a south London commissioning group – there were different alliances. There had been a comparison between placement costs in Lewisham and those achieved through the London Commissioning Alliance – which Lewisham intended to join in April.
- A great deal of work had been done to support care leavers – particularly in relation to care leavers’ housing.
- The quality of services for Lewisham’s (nearly seven hundred) care leavers had been acknowledged during an external review.
- Support for care leavers was provided up until the age of twenty-five. Work was also taking place at the points of transition - from age eighteen and after the age of twenty-five.
- There had been significant improvements in the support provided to care leavers but there was still work to do.
- There was an asset management plan for children and young people’s services – which was linked with the corporate approach to assets.
- There was a current piece of work taking place to determine whether there was a suitable cluster of sites available to establish a residential home.
- A business case would be developed to determine whether the Council developing its own accommodation would be more beneficial than paying for care placements – this would be assessed by colleagues in finance.
- Officers were aware of the competition and markets authority report on the profits of social care providers. The Department for Education had produced a response to the report – and the association of directors of children’s services was involved in the discussions about the costs of care.
- It was hoped that work with the commissioning alliance would support the Council with engaging with care providers.
- Work was taking place to review every child in care, guardianship arrangements and care leavers to consider costs. This was an intensive and time-consuming process.
- There were a number of decision-making panels – and boards which reviewed costs and spending.
- In the 2019 inspection of children’s services – Lewisham had been criticised for the poor link up between services for victims of domestic abuse. Work had taken place since then to ensure that services were better connected.
- Work was taking place across Council services to deliver the violence against women and girls’ strategy.
- There had been investment for social workers to receive training on domestic abuse – including working with victims and perpetrators in families to enable children to remain in families.
- There was a very high proportion of families in the social care system where there were issues with domestic abuse.
- The impact of the pandemic lockdowns had resulted in isolated families becoming more isolated – and a reduction in engagement with services. Things that were already difficult for families became worse during the period of pandemic isolation.
- The post pandemic period had been one of the most challenging and complex in terms of social work practice.
- There had been far more social and mental health problems for adolescents following the pandemic.

- Work took place to support families to target and develop services in house to reduce families' levels of need.
- There were more complex arrangements for children placed out of the borough (due to the lack of existing relationships with health and education providers).
- Consideration was given to the long-term strategy for children in complex placements. This is why placements were reviewed on a fortnightly basis.
- Many providers claimed they were providing therapeutic support – consideration had to be given to whether this was effective.
- It was thought that the overspend in 2021/22 and 2022/23 was broadly similar (it was difficult to determine from the statements made by different officers at the meeting whether this was the case).
- There were contrasting comments on the part of different officers about the budget monitoring figures - and the total gross and net budgets - as well as the level of overspending in the directorate.
- There had been an increase in spending and associated budgets by the directorate (it was difficult to determine from the statements made at the meeting whether this was due to the pandemic or other factors)
- Further work would take place to improve future forecasts for spending.
- At 21:25 the Committee agreed to suspend standing orders for no more than 30 minutes.

4.4 Kathy Freeman responded to a question from the Committee about the budget for the Children and Young People Directorate:

- 2022/23 £10.773m of funding had been made available to the directorate from the social care grant. This had been allocated to the Children's Social Care budget with the gross expenditure and gross income budgets.

4.5 In the Committee discussion, the following key points were also noted:

- There appeared to be discrepancy between the demographics noted in the report and the costs.
- A request was made for a timeline for the improvements being made to the case management and software systems.
- Additional information would be welcomed regarding rates of tenancy failures for care leavers.
- The profit margins of home care providers was high.
- There was concern about consistent overspending by the Children and Young People directorate across multiple years.
- Additional funding made available to the directorate appeared to be spent and additional overspending occurred in excess of any sums made available – even in those years where the budget for children's services had been increased to cover all of the previous years' overspend.
- Further detailed information about the budget and annual overspends of the Children and Young People Directorate – with a specific focus on social care would be welcome.

4.6 **Resolved:** that the report would be noted. It was also agreed that the Executive Director for Children and Young People would come back to the Committee in the new municipal year – and that a note would be circulated from the Executive Director for Corporate Resources detailing the budget and expenditure of the Children and Young People Directorate.

5. Select Committee work programme

5.1 The Committee discussed the work programme report – noting that the meeting was the last before the Council’s annual general meeting (AGM). Members put forward the following suggestions for the Committee’s 2023-24 work programme:

- Children’s services finance – including scrutiny of the discrepancy in the figures between the Directorate and the finance team.
- An update on adult social care.
- Income generation and commercialisation.
- A briefing on Council insurances

5.2 **Resolved:** that the annual update from the Audit Panel (circulated in advance of the meeting by email – and considered by the Panel on 14 March) be noted. It was also agreed that the Committee’s work programme suggestions be put forward to the membership of the new Committee following the AGM.

The meeting ended at: 21:35

Chair:

Date:
